



Private Residential Property: When Two or More Lots of Land will be Treated as a Single Property

This Commissioner's practice addresses when two or more lots of land in the same ownership will be treated as a single property for valuation and assessment.

Background

Clauses 2(3) and 2(4) of the Glossary to the *Land Tax Assessment Act 2002* (LTA Act) (the Glossary), specifies that the Commissioner of State Revenue will treat two or more lots of land or a parcel of land as a single property for valuation and assessment purposes if:

- the lots are in the same ownership have common boundaries and
- the lot or lots on which the private residence is constructed (the 'home lot') and each other lot (the 'other lots') are established and used by the individuals who reside there as one integrated area that constitutes the place of residence.

Clause 2(5) of the Glossary identifies factors the Commissioner may consider to establish if the lots are used as a single, integrated place of residence:

- the nature, extent and degree of permanence of any structures or other improvements on the other lots
- the degree of physical separation of, and the means of access between, the home lot and the other lots
- whether the appearance and physical characteristics of the home lot and the other lots, taken together, are those of one integrated area
- the extent to which the home lot and the other lots are collectively or separately provided for in terms of matters such as fencing, means of access and egress, and provision of water, power and other utilities
- whether the other lots are used for residential purposes and whether the use is of an ongoing nature, rather than temporary or transient
- whether the use of the home lot and the use of the other lots, taken together, constitutes the use of all of the lots as one integrated place of residence
- how often the other lots are used and by whom
- the extent to which the activities undertaken on the other lots could be undertaken at the home lot in the absence of the other lots
- the relative size of the lots and
- any other matters the Commissioner considers relevant.

When considering the use and development of the lots, the Commissioner will not consider the intention of the land owner, the individuals residing there or any other person.

Under section 21(1) of the LTA Act, private residential property (except property held in trust) is exempt for an assessment year if, at midnight on 30 June in the financial year before the assessment year, it is owned:

- by an individual who uses it as their primary residence or
- by spouses, or de facto partners of at least two years, at least one of whom uses it as their primary residence.

Primary residence, in relation to an individual, means the individual's sole or principal place of residence.

Private residence means a building or part of a building that was occupied, or fit to be occupied and intended by the owner to be occupied, as a place of residence, except for the uses specifically excluded in the Glossary.

Private residential property is defined as:

- a lot of land on which there is a private residence or
- a parcel of land on which there is a private residence constructed so that part of the residence stands on each of the lots of land that constitute the parcel or
- an interest in a home unit or
- for the purposes of sections 24, 24A, 27, 27A and 28 and Part 3 Division 2 Subdivisions 2 and 3 of the LTA Act — a lot of land on which a private residence is being or has been constructed.

The term *lot* is defined in clause 2(1) of the Glossary, while *parcel* is defined as meaning two or more lots of land that are treated as a single property.

Commissioner's practice

1. Permanent physical structures constructed on other lots adjoining the home lot will generally be treated as a single property when they are integrated with the residence. Examples of this are:
 - 1.1 a garage with a driveway providing access to the residence from the road
 - 1.2 a swimming pool
 - 1.3 a tennis court or
 - 1.4 a gazebo/entertaining area.
2. When the lots are separated by a dividing fence, the lots may be treated as a single property if there are gates or other means of access between the lots.
3. Two or more lots will not be treated as a single parcel if the other lot or lots:¹
 - 3.1 contain a separate residence
 - 3.2 are vacant land
 - 3.3 are being developed, or the owner intends to develop them.

¹ *Young and Commissioner of State Revenue* (2005) WASAT 296.

4. An application for residential exemption for two or more lots to be treated as a parcel must be made on form [FLT21 'Residential Exemption Application'](#) and be accompanied by a written submission addressing the factors set out in the background of this Commissioner's practice.
5. The Commissioner may inspect properties and/or seek additional information to make a determination.

Date of effect

This Commissioner's practice takes effect from 3 May 2024.

Chris McMahon
COMMISSIONER OF STATE REVENUE

3 May 2024

Document history

Commissioner's Practice	Issued	Dates of effect	
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